

FISCAL NOTE

Bill #: SB0266

Title: Generic specialty license plates

Primary

Sponsor: J. D. Lynch

Status: As introduced

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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Fiscal Summary

	<u>FY2000</u> <u>Difference</u>	<u>FY2001</u> <u>Difference</u>
Expenditures:		
General Fund	\$60,600	\$0
Proprietary	0	7,600
Revenue:		
General Fund	\$0	\$10,000
Other	0	7,600
Net Impact on General Fund Balance:	(\$60,600)	\$10,000

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact	X		Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts

Fiscal Analysis

ASSUMPTIONS:

1. The Department of Justice(DOJ) estimates the one-time cost of adding a specialty license plate to the system is \$19,600 (publishing rules - \$1,000; programming - \$15,000; system testing - \$3,600). The \$19,600 is shown as a cost in FY 2000.
2. The \$3 per plate fee that goes to the Department of Corrections (DOC) to manufacture the plates will approximately cover the start-up costs, plus the assembly costs.
3. There are two companion bills (SB267 and SB268) that comply with CI-75 by putting the issues of the \$1,200 start-up cost and the \$23 per plate fee to a vote by the electorate. Each of those ballot issues will cost \$20,500 for printing and distribution of the voter information pamphlet. The \$41,000 is shown as a cost in FY 2000.

(continued)

4. The popularity of this plate cannot be estimated. For the sake of viewing a possible revenue flow, it is assumed three designs will be implemented in FY 2001, each pre-selling 400 plates, or 1,200 plates sold in FY 2001.
5. The counties would collect a total of \$27,600 (\$23 X 1,200). They would retain \$10,000, and remit \$17,600 to the state treasury, with \$10,000 deposited in the general fund and \$7,600 in the proprietary fund.

FISCAL IMPACT:

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
<u>Expenditures:</u>		
Operating Expenses	\$34,600	\$7,600
Transfers	<u>26,000</u>	<u>0</u>
TOTAL	\$60,600	\$7,600
<u>Funding:</u>		
General Fund (01)	\$60,600	\$0
Proprietary (06)	<u>0</u>	<u>7,600</u>
TOTAL	\$60,600	\$7,600
<u>Revenues:</u>		
General Fund (01)	\$0	\$10,000
Proprietary (6)	0	7,600
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
General Fund (01)	(\$60,600)	\$10,000
Proprietary (6)	0	0

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

The number of plates sold under this proposed legislation cannot be estimated with any degree of accuracy. For every plate sold, the counties would collect \$10, but \$5 is currently collected on the normal plate, so there would be a net increase of \$5.

TECHNICAL NOTES:

1. According to this bill a \$3 fee goes to the DOC for the purposes provided in 53-30-132(1) (k), MCA. This reference should be to 53-1-301(1) (k), MCA, as the reference made relates to the vocational training program, which is not involved in the proposed bill.
2. The proposed bill transfers the \$3 portion for the DOC to the general fund, but the license plate manufacturing operation uses a proprietary fund for its operation. In order to spend the amount allocated to them, the DOC would either need a general fund appropriation, or there should be an amendment to the bill distributing the \$3 to the proprietary fund.
3. Section 7 introduces an initial \$1,200 fee to cover start-up costs of the plate. It should be amended to show if it is intended to cover start-up costs of the DOJ or the DOC and to indicate the fund (general or proprietary).